

City of Newport Beach - Building Department

BUILDING CODE POLICY

Effective Date	Subject	Policy No.
March 21, 2011	Current Value of Structure	NBMC 15.50.050

The purpose of this policy is to provide guidelines for determining the current value of a structure for the purpose of calculating “Substantial damage” and “Substantial improvement” as defined in Newport Beach Municipal Code (NBMC) 15.50.050 in terms of exceeding 50% of the “Current value of the structure”. In turn, NBMC Section 15.50.050 defines “Current value of the structure” as the existing structure square footage multiplied by the cost per foot average as determined by the Building Official.

It is the intent of this policy to clarify that current value of the structure shall be the equivalent to the “Actual cash value” as defined by FEMA. (See, Substantial Improvement/Substantial Damage Desk Reference (FEMA P-758/May 2010.)) For the purposes of determining “Substantial damage” or “Substantial improvement,” the “Current value of the structure” shall therefore incorporate the depreciated value of the existing structure as follows:

- The current value of the structure shall be equal to the calculated replacement value less the calculated depreciation amount.
- The replacement value shall be based on the construction valuation table adopted by the Newport Beach City Council.
- The depreciation amount shall be calculated by multiplying the replacement value by the depreciation percentage listed in the depreciation table published by RS Means. Previously remodeled areas and additions to the structure shall be depreciated for the total age of the structure, as if it was original construction.
- Proposed remodel and reconstruction values shall also be based on values listed in the construction valuation table adopted by the Newport Beach City Council.

DEPRECIATION TABLE

Observed Age (Years)	Percentage Depreciation
1	1%
2	2%
3	3%
4	4%
5	6%
10	20%
15	25%
20	30%
25	35%
30	40%
35	45%
40	50%
45	55%
50	60%
55	65%
60	70%

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